

12 July 2017

ClearStar, Inc.
(“ClearStar” or the “Company”)

Trading Update

ClearStar expects to report highest ever revenue for a six-month reporting period

ClearStar, Inc. (AIM: CLSU and CLST), the technology and service provider to the background check industry, is pleased to provide a trading update for the six months ended 30 June 2017.

The momentum gained by ClearStar in 2016 in upscaling the direct client base and traction with the global platform, Sphere, continued into H1 2017. The Company’s Channel Partner division also performed well. As a result, the Company expects to report revenue of approximately \$8.9m for H1 2017 and remains confident of achieving strong full-year revenue growth in line with market expectations. Highlights of the period include:

- ClearStar expects to report H1 2017 revenue growth of approximately 12% year-on-year to \$8.9m (H1 2016: \$8.0m) – the highest level of revenue the Company has generated in a six-month reporting period.
- Revenue growth accelerated through H1 2017:
 - Q2 2017 and Q1 2017 revenues were approximately 13% and 10.5% higher respectively than the comparative periods of the prior year.
 - Sequential half-year revenue growth of approximately 10% (H2 2016: \$8.1m).
- Growth has been driven by the Company’s direct sales, with particular demand from the transportation industry as well as home healthcare. The Company is also no longer being impacted by the attrition previously experienced from the SingleSource client base.
- ClearStar completed delivery of the first phase of its contract with IntelliCentrics, a leading provider of healthcare vendor credentialing, which was awarded in Q1 2017:
 - As announced on 28 March 2017, the Company was awarded a contract by IntelliCentrics, which has over 10,000 distinct installations of vendor credentialing across the US, Canada and the UK, for the integration of ClearStar’s titer and drug screening solution into IntelliCentrics’ SEC³URE Program for hospitals and healthcare organisations.
 - During the period, the Company completed the development of, and launched, a desktop solution and commenced the development of a mobile version, which is scheduled to be released in Q3 2017.
- The Company deployed its Sphere global platform for MultiLatin, a leading provider of international background screening services in Latin America, under a contract awarded during the period to deliver multilingual global screening services.
- ClearStar is gaining increasing traction with its global offering and remains confident of generating meaningful revenue from global sales during FY 2017.

Further details will be provided in the Company’s interim results announcement, which is expected to be released in September 2017.

Enquiries

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About ClearStar

ClearStar, Inc. is a leading and trusted background check technology, strategic services, and decision-making information provider to employers and background screening companies.

A seven-time Inc. 5000 honouree and founding member of the National Association of Professional Background Screeners, ClearStar has provided innovative technology solutions to businesses in the human capital management industry from its corporate offices in Alpharetta, Georgia since 1995. For more information about ClearStar, please visit: www.clearstar.net.